



Mobility: Tax alert

February 2025

Hong Kong

2025/26 Budget Proposal

Executive summary

On 26 February 2025, the Financial Secretary of the Hong Kong Special Administrative Region delivered the Budget Proposal for the 2025/26 tax year, commencing 1 April 2025.

The Financial Secretary has proposed one-off tax reduction and rates concession but at a reduced scale.

One-off tax reduction

A one-off reduction of 100% of the salaries tax and tax under personal assessment has been proposed for 2024/25, capped at HK\$1,500. This reduction will be deducted directly from the taxpayer's 2024/25 final tax payable.

Salaries tax regime for 2025/26

There is no proposed change to either the progressive rates or the standard rate. The tax bands will also remain unchanged for 2025/26.

Personal allowances and deductions

There is no proposed change to personal allowances and deductions.

Other highlights

Rates on property

A rates concession for properties has been proposed for the first quarter of 2025/26, subject to a cap of HK\$500 per tenement.

Next steps

It should be noted the budget measures are proposals only and will not become law until they are approved by the Hong Kong Legislative Council. Once approved, the provisions will apply to the 2025/26 tax year.

Employers should ensure that they are aware of these provisions and the impact they may have to their mobility programs. If you require further information in relation to the budget proposals, please do not hesitate to contact your local EY advisor or one of the contacts listed below.

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EYG no. 001581-25Gbl

2101-3682263

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